


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2003-225-E - ORDER NO. 2003-481

AUGUST 8, 2003

IN RE: Application of South Carolina Generating)	ORDER AUTHORIZING
Company, Inc. for Authority to Refinance)	REFINANCING AND
Pollution Control Facilities Revenue)	ISSUANCE OF BONDS
Refunding Bonds)	



This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of an Application to issue securities filed on July 18, 2003, by South Carolina Generating Company, Inc. (the "Company" or "GENCO"). The Application was filed pursuant to S.C. Code Ann. §58-27-1710 (1976).

GENCO proposes to enter into a Loan Agreement in substantially the form attached as Exhibit A of the Application (the "Loan Agreement"), with respect to the issuance by Berkeley County, South Carolina (the "County") of not exceeding Thirty-Five Million Eight Hundred Fifty Thousand Dollars (\$35,850,000) principal amount of its pollution control facilities refunding revenue bonds (the "Bonds") to refinance the outstanding \$35,850,000 original principal amount Berkeley County, South Carolina Pollution Control Facilities Revenue Refunding Bonds (South Carolina Electric & Gas Company Project), Series 1984 (the "Prior Bonds"), and to enter into the transactions described in this Order.

The Bonds will be sold on the general credit of GENCO as secured by a guaranty of SCANA Corporation, a South Carolina corporation, in favor of the County or the Trustee.

The terms of the Bonds will be negotiated and the Bonds will have such call and redemption provisions as may be determined at the time of sale of the Bonds.

As stated in the Application, the Company will use the net proceeds from the sale of the Bonds for the purpose of refinancing, if the Company determines that a savings will result from the refinancing, the Prior Bonds, the issuance of which was authorized by this Commission pursuant to Order No. 84-1030.

GENCO states that negotiations at market with the purchaser or purchasers, to be concluded shortly before the offering of the Bonds, will determine the interest rate to be borne by, the maturity date of, the initial offering price of, the price to be paid to GENCO for, the call provisions of, any underwriting or purchase discount (i.e., the difference between the initial offering price and the price paid by the purchaser or underwriter to GENCO) with respect to, and the redemption prices of the Bonds. Based on market conditions, GENCO believes that the initial offering price usually will not be in excess of 115% of the principal amount of the Bonds, that any underwriting discount will not exceed 1% of the principal amount of the Bonds, and that the initial optional redemption price, if any, will not exceed 103% of the principal amount of the Bonds. GENCO requests that it be authorized to negotiate the most favorable interest rate and terms obtainable with respect to the Bonds on the date the Bonds are priced including, if appropriate, terms, prices and redemption provisions appropriate for original discount

securities sometimes known as "zero coupon bonds." Sales of the Bonds will be made from time to time when market conditions, in the judgment of GENCO, are favorable.

After investigation by the Commission Staff and upon full consideration by the Commission, the Commission is of the opinion, and so finds, that the matters set forth in the Application and the exhibits thereto are proper; that the purpose of the proposed issue of the Bonds and the proposed use of the proceeds by the Company of the Bonds are proper; that the proposal to issue the Bonds, as market conditions appear favorable, is reasonable and proper; and that the proposed alternative methods of offering are proper.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That GENCO be, and it hereby is, authorized to refinance the Prior Bonds, if the Applicant determines that a savings will result from the refinancing, through the borrowing by GENCO of the proceeds of the Bonds issued by the County in an amount not exceeding Thirty-five Million Eight Hundred Fifty Thousand Dollars (\$35,850,000), and negotiate, execute and deliver the Loan Agreement and a bond purchase or sales agreement in connection therewith.

2. That GENCO be, and it hereby is, authorized to use the net proceeds of the sale of the Bonds to refinance the Prior Bonds.

3. That GENCO file conformed copies of the Indenture, the Loan Agreement and the bond purchase agreement entered into in connection with the issuance of the Bonds, within thirty (30) days after closing the transaction related thereto, and such other information as may be required by provisions of Order No. 91-72, dated January 18, 1991, Docket No. 91-032-E.

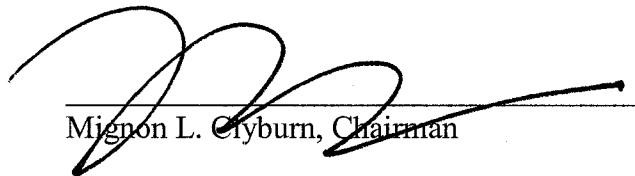
4. Approval of the Application does not bind the Commission as to the ratemaking treatment of this issuance.

5. This Order shall not, in any way, affect or limit the right, duty, or jurisdiction of the Commission to further investigate and order revisions, modifications, or changes with respect to any provision of this Order in accordance with the law.

6. The Commission strongly encourages the Company to carry out the financial transactions in such a manner as to attempt to minimize possible negative impacts that could be harmful to ratepayers.


7. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)